

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

Legislative Policy: Transportation Funding

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Purpose

To establish the Board of Supervisors' legislative policy regarding the County's interests in transportation funding issues, and to provide guidance to the County's legislative representatives when advocating the County's interests to legislators, other elected officials and policy makers.

Background

In Fiscal Year 2004-05, the per capita spending for State highways and local roads in California was 29 percent lower than the national average, leaving California in last place among all the states. Overall, decades of inadequate funding of the State's transportation system have led to a crumbling system incapable of meeting existing demand or future expectations for growth. Congestion and longer commute times are some of the more obvious results of the underfunding, but negative economic impact is also a byproduct of this neglect. This is especially evident in San Diego County because of its relationship with the international border. Each day, more than 136,000 cars, 6,200 trucks, and nearly 340,000 people travel between the United States and Mexico via the San Ysidro, Otay Mesa, and Tecate border crossings. In 2005, the average wait time of 45 minutes resulted in a loss of more than 8 million trips into the San Diego region. This equates to a loss of nearly \$1.3 billion in potential revenues, 3 million potential working hours, 28,000 to 35,000 jobs, and \$42 million in wages annually. Excessive border waits also affect overall regional productivity, which was calculated as an output loss in the San Diego region of between \$2 billion and \$2.5 billion per year.

Improving the transportation network throughout San Diego, while maintaining environmental quality in the County, is, and has been, a high priority of the County Board of Supervisors. To enhance this effort the Board has taken several steps to cope with the ever increasing demand placed on the County's transportation system. For example, the Board implemented transportation impact to finance the transportation infrastructure needs of new development. The people of San Diego County have also shown their support for transportation funding by approving a half-cent sales tax initiative in 1987 to be used solely for transportation related purposes. In 2004, voters countywide approved Proposition A, the 40-year extension of *TransNet*. The local sales tax extension, which garnered approval from 67 percent of the voting public, will generate \$14 billion for transportation improvement projects.

However, even with the efforts of the Board and the additional revenue generated through the increased sales tax, the County is still facing a severe funding shortage to maintain its current system and construct new transportation facilities needed to keep pace with the growing demands on the County's transportation system.

In 2002, 69 percent of California voters supported Proposition 42, which amended the Constitution to provide that all State gas and diesel fuel sales tax revenue be earmarked for transportation beginning in July 2003. Proposition 42 was intended to provide a stable, long-term funding source for the state's transportation needs. However, due to a provision in the Proposition related to State budget

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emergencies, the State continued to divert gas tax revenue to the General Fund, until Fiscal Year 2005-06, when the State budget diverted the expected \$1.3 billion of gas tax into transportation projects. The County's share of Proposition 42 revenue was estimated at \$6 million for Fiscal Year 2005-06.

Recently, the State administration and legislature have also recognized the severity of the funding shortage for transportation facilities throughout California and have made transportation funding a high priority. Numerous bills have been introduced to address this issue and, due to the magnitude of the situation, State legislative activity is expected to continue for at least the next several years. Therefore, it is important that the County adopt a legislative policy on this subject that will provide direction to staff and the County's legislative representatives at both the state and federal level.

Policy

The legislative policy of the Board of Supervisors regarding transportation funding related issues is to:

1. Provide a new revenue source or an increase in existing funding sources on an annual basis at the County level for local roads without affecting existing funding sources for other County programs. Generally, user fee types of revenue sources are preferred to provide this additional income for County roads as opposed to utilization of other revenue sources that have little or no relationship to local roads and their usage;
2. Continue to allocate funding based on a formula that provides a share of the funds to the County based on user criteria which maintains the San Diego region's relevant share, such as total number of registered vehicles, maintained system mileage, population or other factors that are measurable and relevant provided that any formula changes do not reduce the relative share of the funding received by the San Diego region out of funds allocated to cities and counties;
3. Allow additional funding for local roads to be spent at the sole discretion of the County for capital improvements or maintenance;
4. Provide additional local transportation program funding flexibility as opposed to rigid categorical spending or other mandated requirements;
5. Reaffirm that the state has sole responsibility for financing all state highway expenses;
6. Assure that the state will continue to allocate funding for state highway projects in the region should local government elect to assist funding any state highway project to advance its construction timing;
7. Provide for the timely construction of all projects in each adopted State Transportation Improvement Program (STIP);
8. Provide state funding for development of non-interstate freeways and other state highways;

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9. Assure that the Federal government will continue to make an effort to finance transportation related projects at the local level through such programs as Federal Aid Urban (FAU), Federal Aid Secondary (FAS), and Federal Highway Administration (FHWA) funds;

10. Provide State and Federal incentives (i.e., tax credits) to employers and employees who initiate and/or participate in a peak hour traffic management plan;

11. Make grant funds available to local agencies to set-up and manage regional peak hour traffic management programs;

12. Continue Federal and State funding for transit and other alternative forms of transportation to alleviate peak hour congestion and degradation of existing roadways; and

13. Eliminate unnecessary Federal review of local activities, including project design and environmental review.

It shall also be the policy of the Board of Supervisors of the County of San Diego to oppose federal legislation that seeks to raise or divert transportation related taxes for deficit reduction purposes.

Responsible Departments

Department of Public Works

Office of Strategy and Intergovernmental Affairs

Sunset Date

This policy will be reviewed for continuance by 12-31-11.

References

Board Action 8-18-87 (53)

Board Action 5-23-89 (64)

Board Action 10-31-06 (14)